

## Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 EB-08 COME-00 OPIC-06 TRSE-00  
CIAE-00 INR-07 NSAE-00 L-03 AID-05 SS-15 NSC-05  
OC-06 CCO-00 DODE-00 PA-02 USIA-15 PRS-01 SP-02  
AGRE-00 STR-06 /092 W

-----016615 141607Z /45 62

R 121625Z JAN 78

FM AMEMBASSY BANJUL

TO SECSTATE WASHDC 5066

INFO AMEMBASSY DAKAR

UNCLAS BANJUL 0057

C O R R E C T E D C O P Y - PARA 3 LINE 2 (WORD: "NOW" VICE "NOT")

E.O. 11652: N/A

TAGS: EINV EIND EFIN GA

SUB: UPDATE OF INVESTMENT CLIMATE STATEMENT

REF: (A) 77 STATE 244738 (B) 75 BANJUL 0781 (C) 74 BANJUL 219

1. ONE OF MOST STABLE COUNTRIES IN WEST AFRICA, THE GAMBIA PRESERVES EXCELLENT INVESTMENT CLIMATE DESCRIBED IN REFS B AND C. ALTHOUGH THESE STATEMENTS ARE SOMEWHAT DATED, THEY REMAIN VALID SUBJECT TO FURTHER COMMENTS BELOW.

2. AT PRESENT, US DIRECT PRIVATE INVESTMENT IN THE GAMBIA IS VIRTUALLY NIL. TEXACO CONTINUES AS ONE OF SEVERAL LOCAL DISTRIBUTORS OF PETROLEUM PRODUCTS, BUT HAS NO EXTENSIVE FACILITIES IN THE GAMBIA. BANK OF AMERICA, THROUGH ITS INDIRECT MINORITY INTEREST IN BANQUE INTERNATIONALE POUR LE COMMERCE ET L'INDUSTRIE, HAS A SMALL PIECE OF ONE OF BANJUL'S THREE COMMERCIAL BANKS, BUT THE FACILITY IS COMPLETELY OPERATED BY BANQUE NATIONALE DE PARIS. WEST AFRICA EXPORTS (GAMBIA) LTD (MENTIONED REFTELS) WENT OUT OF BUSINESS OVER ONE YEAR AGO BECAUSE OF MARKETING PROBLEMS IN US, ALTHOUGH IT HAD DEVELOPED INTO PROFITABLE OPERATION LOCALLY.

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3. NEW DIRECT FOREIGN INVESTMENT HAS COME SLOWLY, AND IS FAR OUTSTRIPPED BY BILATERAL AND MULTILATERAL FOREIGN AID NOW ENTERING THE GAMBIA IN EVER HIGHER AMOUNTS. BREWERY WAS COMPLETED IN THIRD QUARTER OF 1977 AND EARLY SALES HAVE BEEN EXCELLENT. WELL-ESTABLISHED INDIAN OWNED COCA COLA BOTTLING PLANT HAS JUST MODERNIZED AND EXPANDED ITS FACILITIES. HOTEL INVESTMENT CONTINUES

WITH ONE NEW 50 BED HOTEL ADDED IN 1977, AND COMPLETE RENOVATION AND EXPANSION OF OLDER SWEDISH-OWNED HOTEL. LATTER FACILITY IS THE GAMBIA'S FIRST TRULY FIRST CLASS HOTEL, HAVING FULL SERVICES INCLUDING CONFERENCE CENTER.

4. GOTG HAS AMBITIOUS PLANS TO EXPAND TOURIST TRADE, HOWEVER NUMBERS COMING TO THE GAMBIA HAVE LEVELLED OFF TO 24-25,000 PER ANNUM OVER PAST TWO SEASONS. NEW ELEMENT HAS BEEN ARRIVAL IN PAST SIX MONTHS OF SEVERAL HUNDRED AMERICANS ATTRACTED BY ALEX HALEY'S BOOK ROOTS. GAMBIAIAN GOVERNMENT IS ALREADY BUILDING SPECIAL FACILITIES TO ENHANCE ITS HISTORIC AND CULTURAL SITES WITH INTERESTS OF AMERICAN TOURISTS IN MIND. HOTEL BEDS NOW NUMBER OVER 2000.

5. COMMUNICATIONS IN THE GAMBIA ARE GREATLY IMPROVED. NEW AIRPORT TERMINAL, CONTROL TOWER, PARKING AREA, AND SAFETY SYSTEM, HAVE BEEN IN OPERATION FOR SEVERAL MONTHS. YUNDUM AIRPORT'S 2000-METER RUNWAY IS BEING EXTENDED TO 3000 METERS, WITH COMPLETION ESTIMATED FOR LATE 1978. COUNTRY'S LIMITED HIGHWAY NETWORK WILL UNDERGO MAJOR EXPANSION OVER NEXT FEW YEARS, USING ARAB SOURCES OF FINANCING. TELECOMMUNICATIONS FACILITIES ARE ALSO BEING UPGRADED WITH IMPROVED OVERSEAS TELEX AND TELEPHONE SERVICE.

6. BEST PROSPECTS FOR US INVESTMENT WOULD APPEAR TO LIE IN AGRIBUSINESS OR FISHING SPHERES. FRUITS AND VEGETABLES GROW WELL IN THE GAMBIA, WHEN IRRIGATED BY UNDERGROUND WATER. GAMBIAIAN WATERS ARE RICH IN SPINEY LOBSTERS, SHRIMP, AND COMMERCIAL FISH.

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POSSIBILITIES IN MINERALS INCLUDE EXPLOITATION ILMENITE SANDS (REFTELS) AND ESTABLISHMENT OF BRICK AND/OR CERAMICS INDUSTRY FROM PROVEN KAOLIN CLAY DEPOSITS. INVESTMENT IN TOURIST HOTELS ALSO WORTH EXPLORING. FIELD IS PRESENTLY DOMINATED BY LEBANESE AND SCANDANAVIAN INTERESTS, BUT THE GAMBIA WELCOMES OTHER SOURCES PRIVATE INVESTMENT. AS THE GAMBIA MOVES TO COMPLETE ITS CURRENT FIVE YEAR PLAN (BY 1980), AND BENEFITTING FROM RAPIDLY INCREASING FOREIGN ASSISTANCE, LOCAL CONSTRUCTION DEMAND IS BOOMING. CONSTRUCTION IS NOW DOMINATED BY ONE EXPATRIATE FIRM, BUT THERE APPEARS TO BE AMPLE SCOPE FOR OTHER FOREIGN CONTRACTORS. WYGANT

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## Message Attributes

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**Channel Indicators:** n/a  
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**Page Count:** 2  
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**Reference:** 77 STATE 244738, 75 BANJUL 781, 74 BANJUL 219  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014